

This Report will be made public on 18 January 2022

Report Number **C/21/59**

**To:** Cabinet  
**Date:** 26 January 2022  
**Status:** Key Decision  
**Responsible Officer:** Charlotte Spendley – Director Corporate Services  
**Cabinet Member:** David Wimble - Cabinet Member for the District Economy

**SUBJECT:** Infrastructure Funding Statement 2021

**SUMMARY:**

In accordance with the latest revisions made via the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019<sup>1</sup>, from December 2020 local authorities must publish an Infrastructure Funding Statement (IFS). The IFS document provides a summary of all financial and non-financial developer contributions relating to Section 106 Legal Agreements (S106) and the Community Infrastructure Levy (CIL) within Folkestone & Hythe District for a given financial year. This report seeks approval of the IFS, and identifies the infrastructure needs, the total cost of this infrastructure, anticipated funding from developer contributions, and the choices the authority has made about how these contributions will be used.

**REASONS FOR RECOMMENDATIONS**

To replace the Regulations 123 List which has been deleted by legislation and replace with the Infrastructure Funding Statement in accordance with the regulations.

**RECOMMENDATIONS:**

1. To receive and note report C/21/59.
2. To agree that the Council accepts the proposed Infrastructure Funding Statement contained in Appendix 1, which is to have immediate effect and be published.

<sup>1</sup> <http://www.legislation.gov.uk/ukdsi/2019/9780111187449>

## **1. Introduction**

- 1.1 In accordance with the latest revisions made via the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019), from December 2020 local authorities must publish an Infrastructure Funding Statement (IFS), and information should be drawn from this. A copy of the IFS is presented in **Appendix 1**.
- 1.2 Accordingly, the IFS is to provide a summary of all financial and non-financial developer contributions relating to Section 106 Legal Agreements (S106) and the Community Infrastructure Levy (CIL) within Folkestone & Hythe District for a given financial year.
- 1.3 The IFS should also identify infrastructure needs, the total cost of this infrastructure, anticipated funding from developer contributions, and the choices the authority has made about how these contributions will be used.

## **2. Preparing an Infrastructure Funding Statement**

- 2.1 The Planning Policy Guidance (PPG) on Infrastructure Funding Statements provides guidance on the contents of statements, as follows:

*“Infrastructure funding statements must set out:*

- *A report relating to the previous financial year on the Community Infrastructure Levy;*
- *A report relating to the previous financial year on section 106 planning obligations;*
- *A report on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partly by the levy (excluding the neighbourhood portion).*

*The infrastructure funding statement must set out the amount of levy or planning obligation expenditure where funds have been allocated. Allocated means a decision has been made by the local authority to commit funds to a particular item of infrastructure or project.”*

- 2.2 Associated reporting is set out within the body of the IFS.

## **3. Scheme prioritization through reference to the Infrastructure Funding Statement**

- 3.1 The District Council formally adopted a Community Infrastructure Levy Governance Framework at Cabinet on 24<sup>th</sup> June 2020, and Cabinet report C/20/12 and its associated appendices refer.
- 3.2 The purpose of having a governance framework in place is to ensure the deployment of CIL income follows clear and appropriate processes. Decisions to be taken by the District Council on spend of CIL receipts from the strategic pot would be taken in accordance with the IFS priorities and through the involvement/discussions between the Planning Policy team which leads on

preparation of the IFS and one of the following Directors, depending on the directorate area where a particular project falls:

- Director of Place
- Direction of Housing and Operations
- Director of Corporate Services

3.3 A significant role of the IFS is, therefore, to identify those infrastructure projects or types of infrastructure which Folkestone & Hythe District intends will be, or may be, wholly or partly funded by the Community Infrastructure Levy; whilst indicating other sources of funding that can be pooled to fund the same infrastructure projects.

3.4 In conjunction with the approved process for scheme prioritization as set out in the District Council's CIL Governance Framework, the District Council has identified the following projects to represent its top priorities:

- Folkestone Town Centre Place Plan projects – to be defined in accordance with the advancement of the Place Plan.
- Princes Parade Leisure Centre and open/play space provision.
- Strategic play areas, as set out in the adopted Play Strategy.

3.5 The District Council shall use as much as the CIL pot assigned under the control of F&HDC as possible to facilitate project delivery, as required. A proportion of future CIL receipts to be collected and controlled by the District Council could be used to repay loans used to support infrastructure, i.e. where the Council has acted to provide forward-funding.

#### **4. Conclusion**

4.1 The District Council has prepared its second Infrastructure Funding Statement, and meets the requirements of the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 for local authorities to publish information on the infrastructure funding they receive through Section 106 and CIL.

4.2 The Government has consulted on proposals for radical reform of the planning system, as set out in the Planning White Paper 'Planning for the Future' (MHCLG, August 2020). Any subsequent changes in legislation may, therefore, need to be reflected in future updates of this document.

## 5. RISK MANAGEMENT ISSUES

5.1 A summary of the perceived risks to the Council is shown below:

Perceived Risk	Likelihood	Seriousness	Preventative Action
KCC direct their allocation of CIL receipts to fund projects that would not accord with the CIL regulations, which requires that CIL is used to fund 'the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area'.	Low	Medium	Maintaining close communication between officers of the District and County is a requirement of the IFS preparation. KCC have generated a list of projects that could be funded using their (KCC's) proportionate CIL receipts, and the District Council is content that KCC would appropriately spend its proportionate CIL receipts in accordance with the CIL Regulations. KCC will publish their infrastructure list within the 2022 IFS

## 6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

### 6.1 Legal Officer's Comments

The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 vary the Community Infrastructure Levy Regulations 2010 to include a requirement in Regulation 121A for a local planning authority to publish, no later than 31 December in each calendar year, an infrastructure funding statement. This must comprise a report about planning obligations in relation to the reported year.

The publication of this statement ensures that the Council is complying with its statutory duties.

### 6.2 Finance Officer's Comments

The data included in the IFS has been prepared in conjunction with Finance.

### 6.3 Diversities and Equalities Implications

There are no negative equality and diversity implications directly arising from this report. The proposed IFS provides a transparent process to make clear decisions on infrastructure related projects being funded by CIL. These projects could include schemes to assist specific sections of our community, for example improving wheelchair accessibility in public spaces.

### 6.4 Climate Change

There are no Climate Change Implications arising from this report.

However, any proposal for infrastructure arising from developer's contributions would need to be assessed for climate change implications as applicable.

## **7.0 Reporting officer**

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## **Appendices**

Appendix 1. Folkestone & Hythe District Council Infrastructure Funding Statement  
(December 2021)